

RECORDATION NO. 20577
MAR 19 1997 10 11 AM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECEIVED
SURFACE TRANSPORTATION
BOARD

MAR 19 10 11 AM '97

March 19, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease, dated as of March 12, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Bancorp Leasing of Hawaii, Inc.
130 Merchant Street, 19th Floor
Honolulu, Hawaii 96816

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue South
Brookings, South Dakota 57006

A description of the railroad equipment covered by the enclosed document is.

two hundred (200) covered hopper railcars DME 49200 through DME
49399, inclusive
49399

Counterparts - Betty Mann

Mr. Vernon A Williams
March 19, 1997
Page 2

Also enclosed is a check in the amount of \$24 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W Alvord

RWA/bg
Enclosures

20577


19 1997

MEMORANDUM OF LEASE

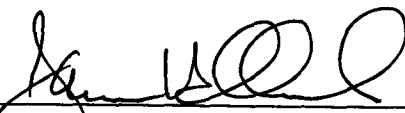
THIS MEMORANDUM OF LEASE is intended to evidence the Master Railcar Lease Agreement dated as of March 12, 1997 (the "Lease"), between BANCORP LEASING OF HAWAII, INC. ("Lessor"), having an address at 130 Merchant Street, 19th Floor, Honolulu, HI 96816 and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION ("Lessee"), having an address at 337 22nd Avenue South, Brookings, SD 57006, for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 USC §11301 and with the Registrar General pursuant to Section 105 of the Canada Transportation Act. The Lessor is the owner of the railroad freight cars, more fully described in Exhibit A hereto (the "Units"). The Lessee has leased or will lease all of the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Memorandum of Lease to be duly executed as of the date first above written.

LESSOR:
BANCORP LEASING OF HAWAII, INC.

By: 
Title: President
Date: 3/12/97

LESSOR:
BANCORP LEASING OF HAWAII, INC.

By: 
Title: Vice President
Date: 3/12/97

LESSEE:
DAKOTA, MINNESOTA & EASTERN RAILROAD
CORPORATION

By: _____
Title: _____
Date: _____

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THIS MEMORANDUM OF LEASE is intended to evidence the Master Railcar Lease Agreement dated as of March 12, 1997 (the "Lease"), between BANCORP LEASING OF HAWAII, INC. ("Lessor"), having an address at 130 Merchant Street, 19th Floor, Honolulu, HI 96816 and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION ("Lessee"), having an address at 337 22nd Avenue South, Brookings, SD 57006, for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 USC §11301 and with the Registrar General pursuant to Section 105 of the Canada Transportation Act. The Lessor is the owner of the railroad freight cars, more fully described in Exhibit A hereto (the "Units"). The Lessee has leased or will lease all of the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Memorandum of Lease to be duly executed as of the date first above written.


LESSOR:

BANCORP LEASING OF HAWAII, INC.

By: _____
Title: _____
Date: _____

LESSEE:

DAKOTA, MINNESOTA & EASTERN RAILROAD
CORPORATION

By: 
Title: Kurt V. Feaster, Chief Financial Officer
Date: Treasurer & Ass't Secretary

3-14-97

ACKNOWLEDGMENTS

State of)
) ss.
County of)

On this ___ day of _____, 199__, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of BANCORP LEASING OF HAWAII, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

Notary Public

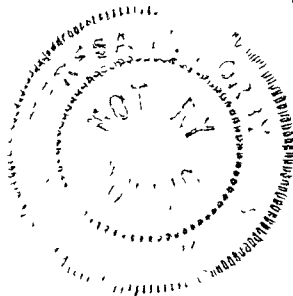
My commission expires:

State of SOUTH DAKOTA)
) ss.
County of BROOKINGS)

On this 14th day of March, 1997, before me personally appeared Kurt V. Feaster, to me personally known, who, being by me duly sworn, did say that he is a CFO of DMYE that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

Keresa M. Nokey
Notary Public

My commission expires. 6-6-99



ACKNOWLEDGMENTS

State of Hawaii)
 City of Honolulu) ss.
 County of Honolulu)

On this 14th day of March, 1997, before me personally appeared Curtis W. Chinn and James H. Ouchi, to me personally known, who, being by me duly sworn, did say that they are President and Vice President of BANCORP LEASING OF HAWAII, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.


 Notary Public

Notary Public, First Judicial Circuit
 State of Hawaii

My commission expires 4/2/98

My commission expires:

State of)
) ss.
 County of)

On this ___ day of _____, 199__, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of _____ that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

 Notary Public

My commission expires:

EXHIBIT A
TO
MEMORANDUM OF LEASE

EQUIPMENT

Two hundred (200) 4,870 cubic foot covered hopper cars with 110 ton trucks, manufactured or to be manufactured by Trinity Industries in 1997.

Running marks and numbers.

DME 49200 - 49399 (inclusive)

3-19-97-20577

OUT

IDENTIFICATION OF RECORD (NUMBER, TITLE AND/OR SUBJECT, DATE OF FILE OR DOCUMENT)	CHARGED TO (PERSON & OFFICE)	DATE CHARGED OUT

OPTIONAL FORM 23
FEB 1962
GSA Circular No 259

CHARGEOUT RECORD

GPO 1962 OF-612734-49-B

5023-101

DATE CHARGED OUT	CHARGED TO (PERSON & OFFICE)	IDENTIFICATION OF RECORD (NUMBER, TITLE AND/OR SUBJECT, DATE OF FILE OR DOCUMENT)

OUT